



**KALAMAZOO  
COMMUNITY  
FOUNDATION**



## Getting Started

# How to Open a Donor Advised Fund

Kalamazoo Community Foundation's (KZCF) generous donors are driven by a passion for giving back to this community and ensuring everyone has access to the resources they need to enjoy a bright future. For donors who care about a variety of causes or places and want to be personally involved in philanthropy, a Donor Advised Fund (DAF) is a smart, streamlined way to manage charitable giving. One contribution can fund multiple organizations over time, and the assets can grow tax-free. If you're interested in combining your passion for community with the freedom to act quickly and thoughtfully, opening a DAF at KZCF could be a great option for you!

### What Is a DAF?

A DAF is a component fund owned and managed by an entity like KZCF, where you maintain the privileges to suggest grants to eligible organizations of your choosing. A DAF allows you to be more strategic about your giving decisions while maximizing charitable tax benefits.

### How Does It Work?

- 1 After you establish a DAF, we invest the fund and take care of the administrative details.
- 2 You recommend grants to support the causes and organizations you care about most, within and outside of Kalamazoo County.
- 3 We verify the eligibility of the organizations to which you suggest grants and, upon approval, send them a grant payment along with a personalized grant letter noting your generosity (or your anonymity if you prefer).

### What Are the Benefits?

There are many benefits to opening a DAF at KZCF, and we've highlighted some of the most important ones for you.

- **You receive personalized philanthropic assistance:** Every DAF holder has a primary point of contact at KZCF who can provide personalized assistance, advice for your philanthropic strategy and help keep you informed about your community.
- **You enjoy flexibility to strategize:** A DAF allows you to contribute now, receive an immediate tax benefit, and decide later how and when to support your favorite nonprofits or causes.
- **You enjoy simplified recordkeeping:** Your charitable giving is consolidated in a single place, making it easy to track your giving over time. It's easier and more cost-efficient than a private foundation.

**FLIP ME!**

- **You gain access to our 24/7 online donor portal:** You can track details about the fund, access information online and make grant suggestions through Kalamazoo Connect, our online donor portal.
- **You enjoy giving flexibility:** You can give cash, appreciated securities, real estate, or other assets valued at the fund minimum or more. You and others can also make additional gifts to the DAF in any amount and at any time. Additionally, a DAF can be included as part of a planned gift in your estate plan.

### What Are the Fund Minimums and Fees?

The fund minimum to open an active DAF is \$5,000. KZCF charges an annual administrative fee of either \$250 or 1% on fund balances up to \$2,000,000, whichever is greater. We offer a tiered fee structure with reduced fee rates on higher balances. Specific information about our fees is available in our Fund Spendable and Fee Policy.

## Ready to Get Started? *Here Are Your Next Steps!*

**1** Decide that you'd like to remain actively involved in your philanthropy by supporting specific organizations and causes.

**2** Meet with a Philanthropic Services & Development (PSD) team member to align on a fund name, develop a succession plan, sign a letter of direction that defines the terms of the fund's operation, and make your initial gift to open the fund.\*

**3** Once the fund is open, start suggesting grants to organizations and causes you care most about.

\*Note: Consult with our PSD team about our Fund Under Development option if you're not ready to gift the full minimum balance.

## CONTACT



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